



March 18, 2014

CON Study Committee



# Wilmington Health Vision Statement



*“We aspire to be the most trusted partner in healthcare. We pledge to transform the delivery system. We will continually develop collaborative and innovative solutions that demonstrate quality, reduce the cost of care and improve the patient experience.”*



# Wilmington Health



- 160 provider multispecialty group practice
- 20 locations serving 6 counties
- ACO (Physicians Healthcare Collaborative)
  - > Medicare Shared Savings Participant
  - > Blue Cross Blue Shield of North Carolina
- 2013 Acclaim Award Honoree
- Leased MRI
- Owned CT
- Single Specialty Endoscopy Center

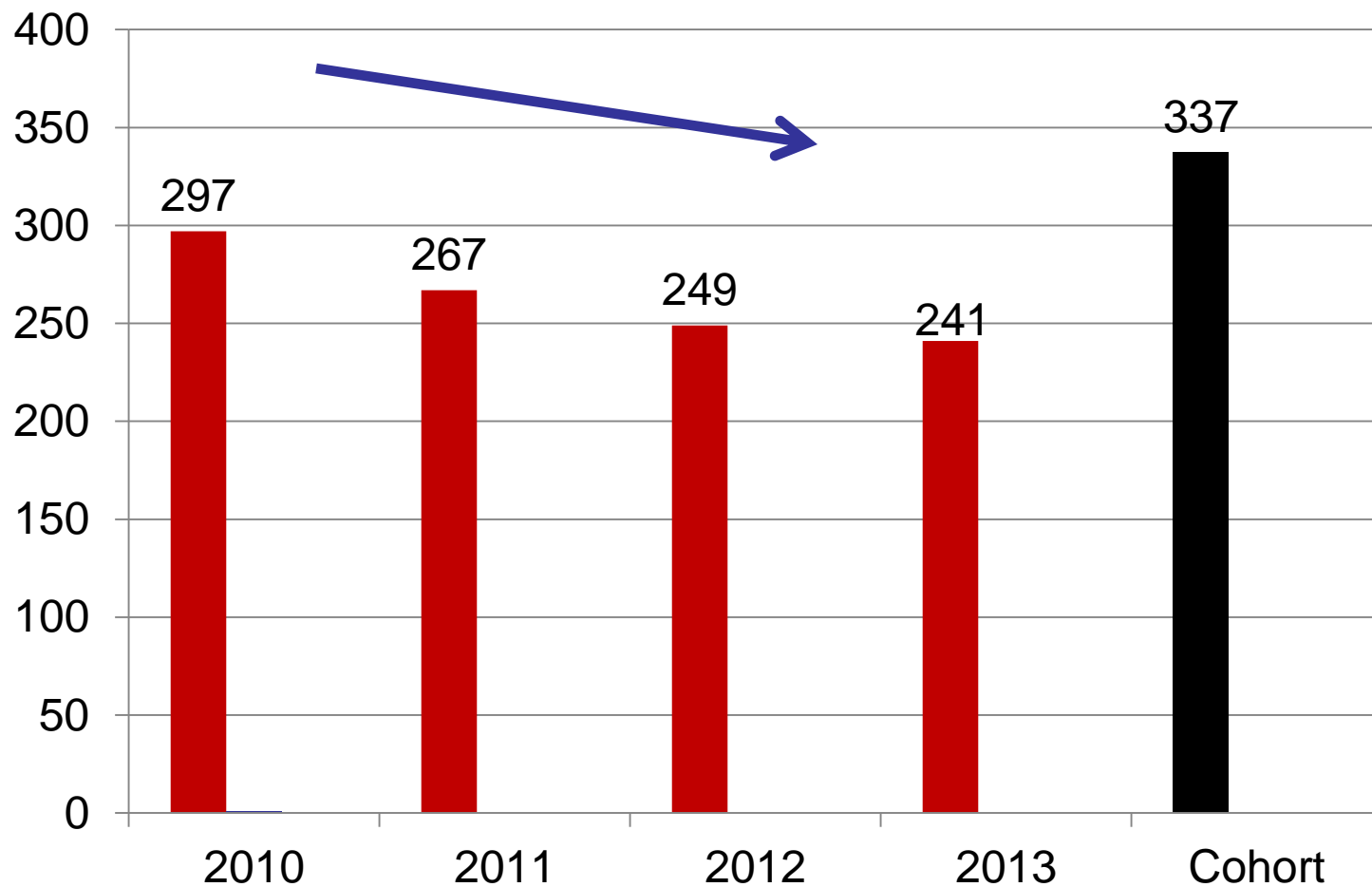


# Medicare Shared Savings Program



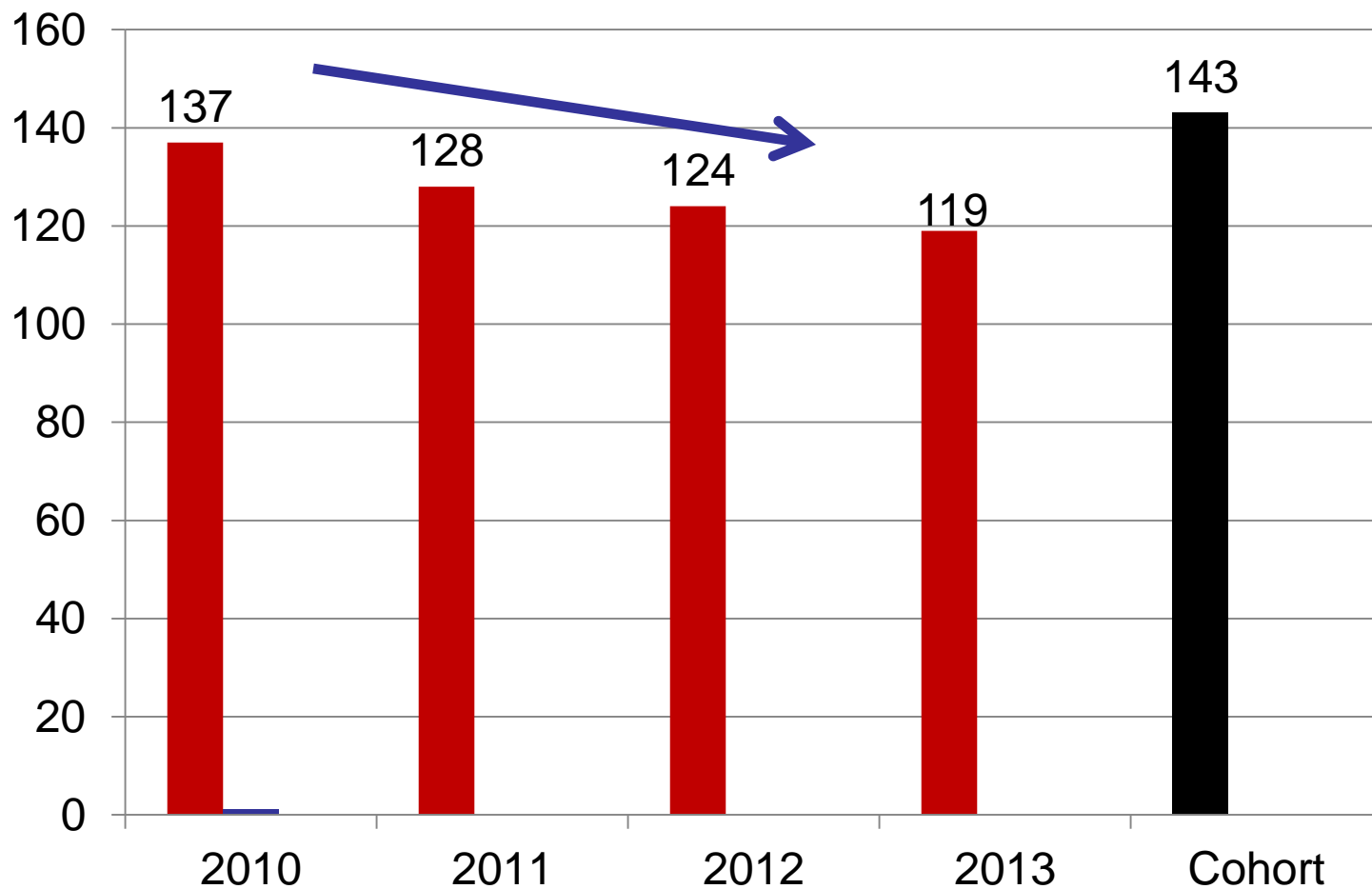
# Medicare Admissions

per 1000 yrs



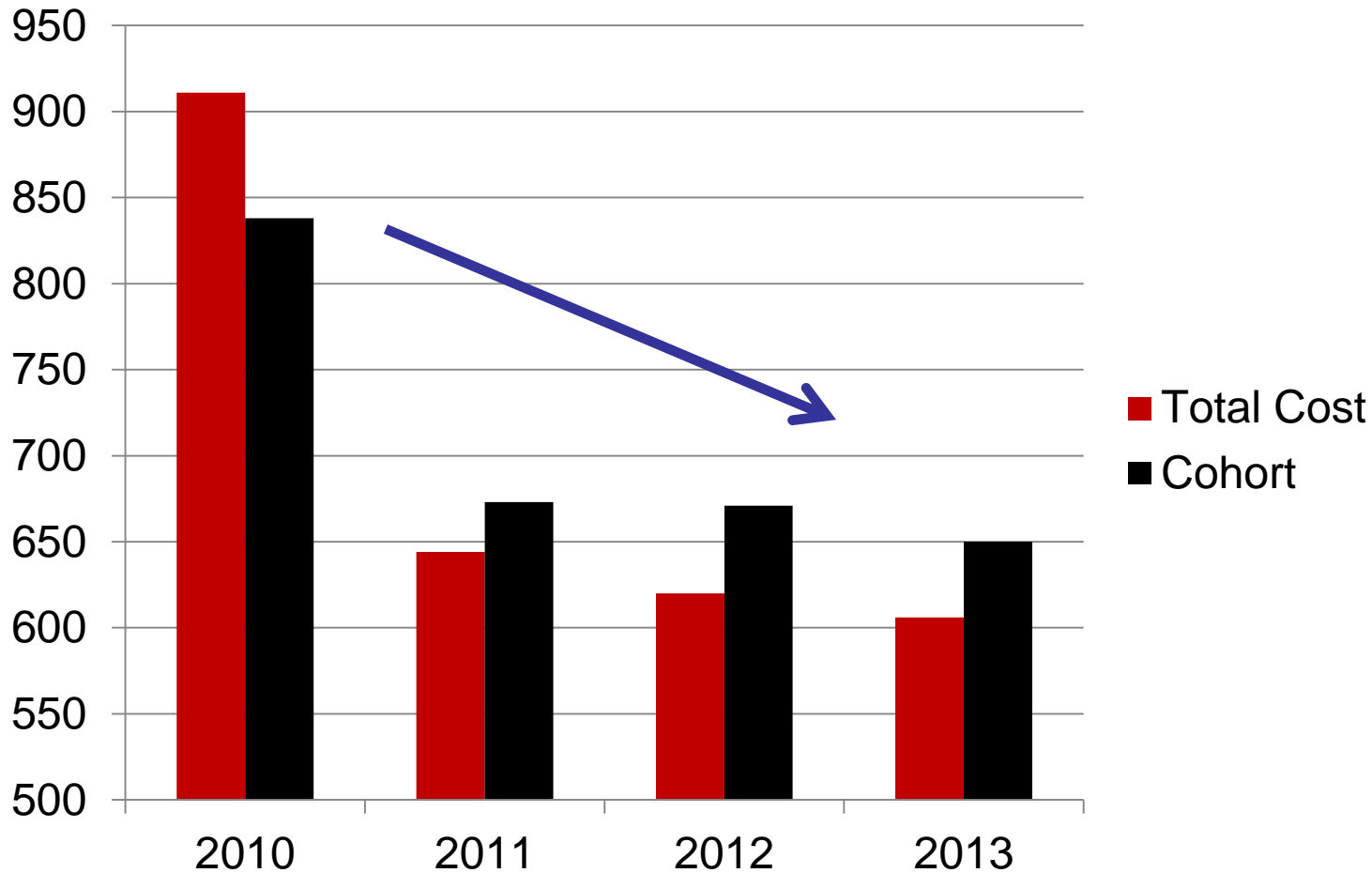
# Medicare Readmissions

per 1000 yrs



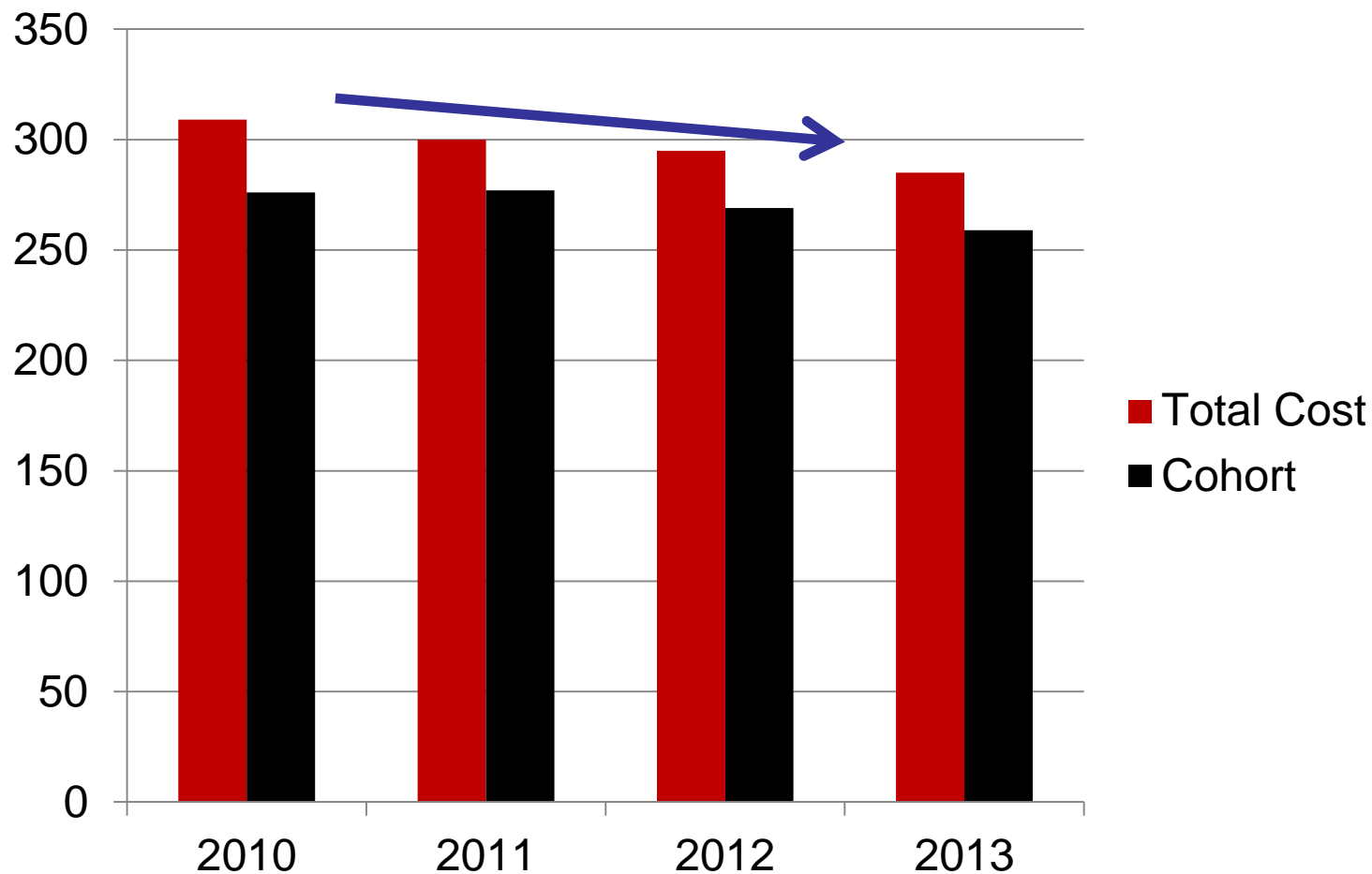
# Computed Tomography

per 1000 yrs



# Magnetic Resonance Imaging

per 1000 yrs





# Triple Aim: High End Imaging CON Issues

## ■ Cost:

- > If services are provided in a outpatient department of the hospital, the costs are significantly higher
- > Forces the use of third parties who charge significant premiums for the use of their CON approved equipment
- > Lack of competition keeps costs inflated

## ■ Patient Experience

- > Patients need to access multiple different service points

## ■ Quality

- > Lack of continuity of care between service providers



# New Hanover County ASC



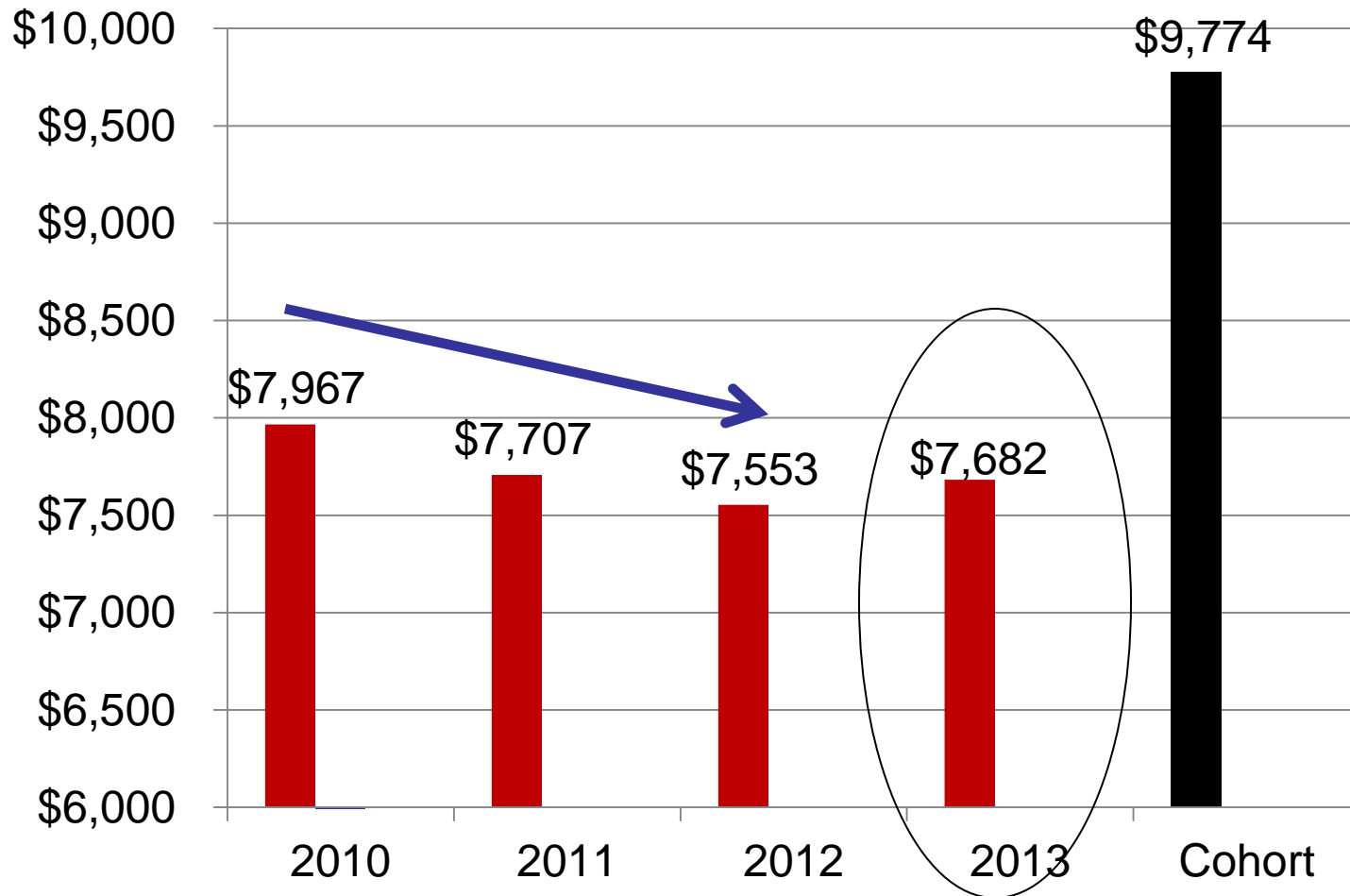
# *New Hanover County: Ambulatory Surgery Centers*



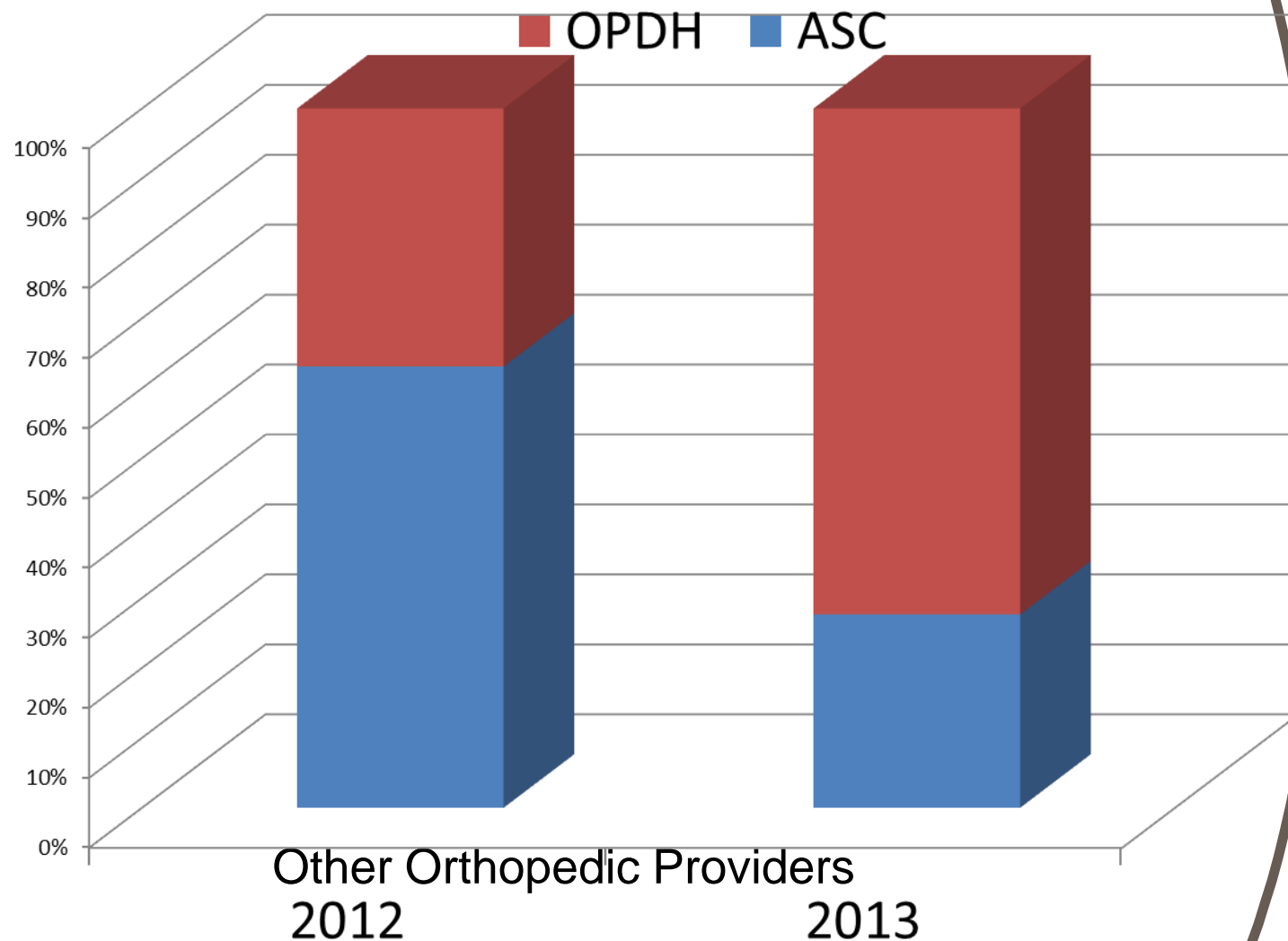
- **Atlantic Surgery Center**
  - > 5 rooms converted to OPDH by NHRMC in October of 2012
- **Novant Surgery Center at Autumn Hall**
  - > 2 rooms Never built
  - > CON acquired by New Hanover Regional Medical Center
- **Wilmington Surgery Center (Surgcare)**
  - > 7 rooms operating as counties only ASC
  - > Little remaining capacity



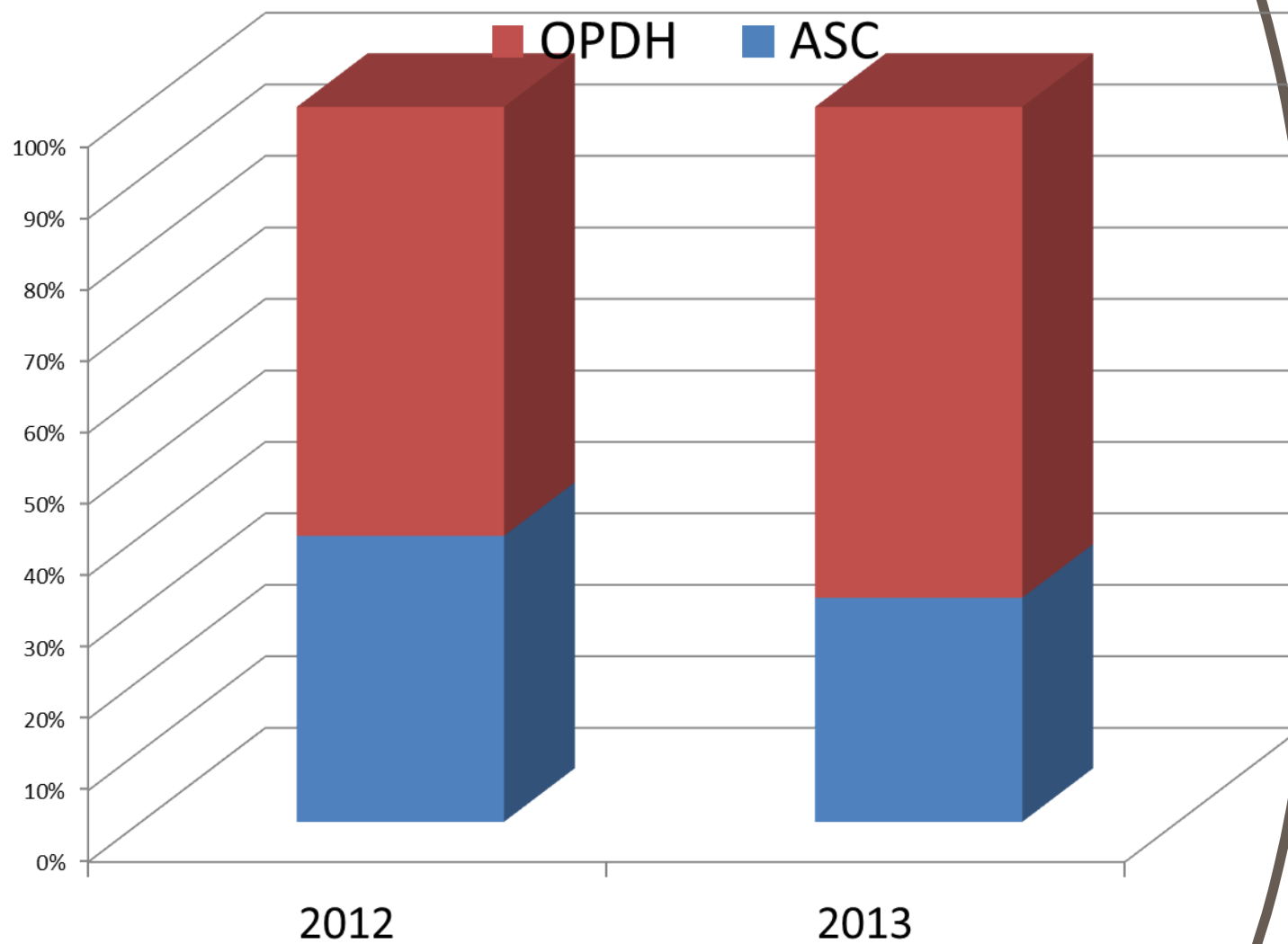
# Medicare ACO Costs



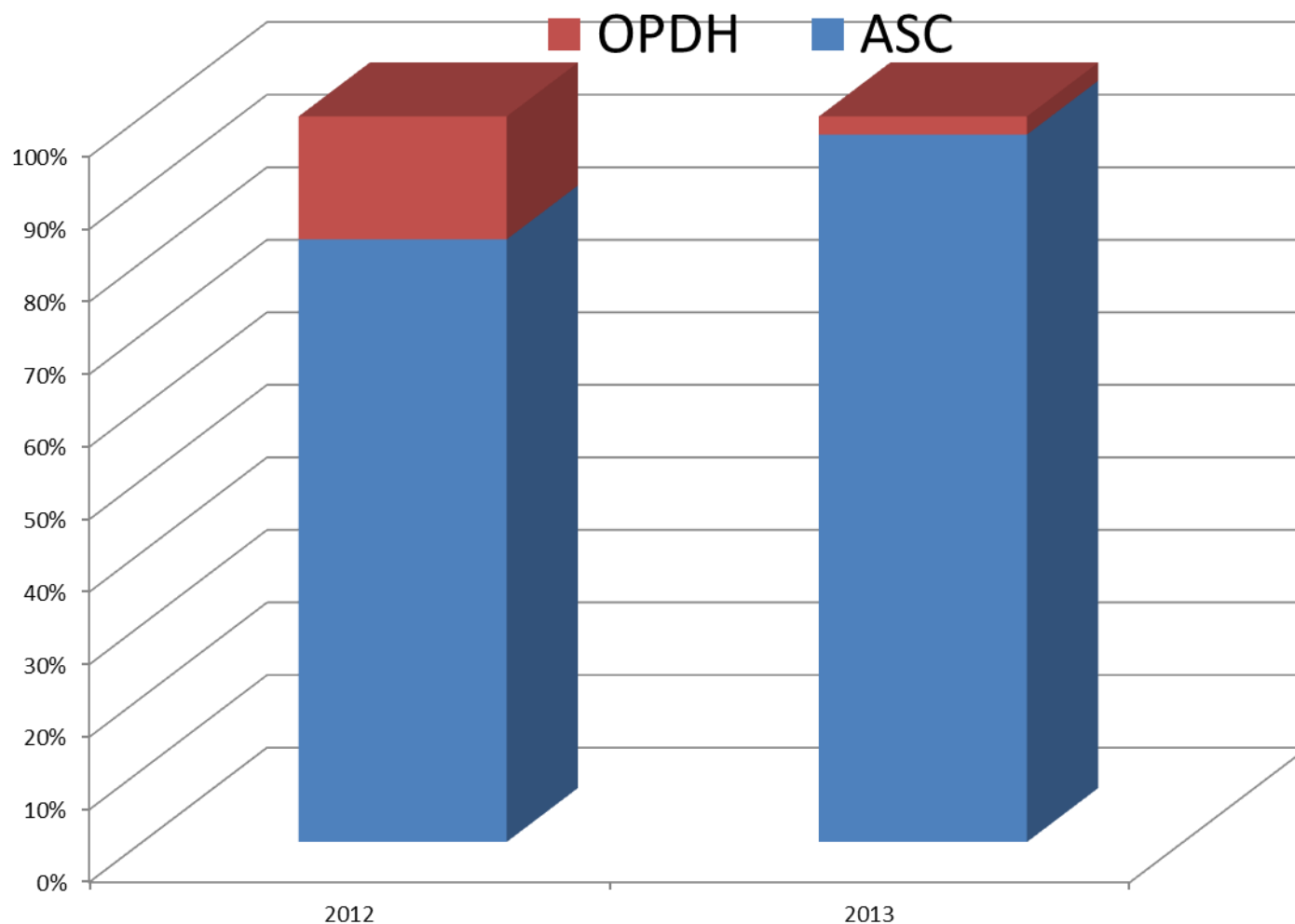
# ASC Eligible: Point of Service



# Ophthalmology: Point of Service



# ASC Eligible: Point of Service



Wilmington Health Orthopedics



# *New Hanover County: Increasing Costs*



- Carpel Tunnel Surgery = 73% Higher in OPDH
- Cataract Surgery=75% Higher in OPDH
- Over OPDH are 72% Higher than ASC
  
- Dramatic cost increases to:
  - > Employers
  - > Medicare
  - > Medicaid
  - > State Retirees and Employee Benefit Plan
  - > Patients





# Patient Example:

- Plan Design 80/20 Provision (20% Coinsurance)

	ASC	OPDH
Allowable Amount	\$ 1,250	\$ 2,150
Insurance payment	\$ 1,000	\$ 1,720
Patient Payment	\$ 250	\$ 430



# COMMENTS

